Mr. C. Ramasomayajulu :—" May I know whether the Government want to safeguard their interests as creditors alone but not of the shareholders or of the concern itself ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" Government thought that they should safeguard their interest first."

Mr. C. Ramasomayajulu :—" Are the Government aware that nearly 16 lakhs of rupees of the shareholders are sunk in this concern ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" May be, Sir."

Mr. C. Ramasomayajulu :—" Then why is it that no notice was given to the shareholders or the prospects of the shareholders discussed with them ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" It is no concern of the Government."

Mr. C. Ramasomayajulu :—" May I take it that it is no concern of the Government at all if the shareholders go to rack and ruin ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" Not under the State Aid to Industries Act."

Mr. A. Ranganatha Mudaliyar :—" Sir, with reference to the statement that the length of supervision will depend on the representatives pleasure, may I know whether the Government have no voice in the matter ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" Till the expiry of the period of notice."

Mr. K. V. R. Swami :—" May I know the amount that is required to run the Mills ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" Twenty lakhs."

Mr. G. Harisarvottama Rao :—" May I know whether the Government feel itself incompetent to manage a concern of this nature ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" I shall say, ' not qualified ' Sir."

Supervision of the Carnatic Mills by the South Indian Industrial and Trading Corporation.

*700-B Q.—Mr. K. V. R. Swami: Will the hon the Minister for Development be pleased to state—

(a) whether the Government have received any offer from the South Indian Industrial and Trading Corporation, Limited, that they would supervise the Carnatic Paper Mills, Limited, as the Agent of the Government and, if so, whether they have accepted it ;

(b) what the terms of the above offer are ;

(c) for how long the remuneration of Rs. 650 will be paid to the corporation ; and

(d) whether Government propose to work the mill ?

A.—(a) The Government have in the interests of economy allowed the representative of the Industrial and Trading Corporation, Limited, to supervise the Mills as the agent of and on behalf of Government.

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(b) The representative will be given Rs. 650 (six hundred and fifty) a month towards the upkeep of the property and the cost of the staff.

(c) So long as they continue to supervise the Mills.

(d) No. They do not propose to work the mill themselves.

Mr. K. V. R. SWAMI :—" Is it in the interests of the Government to see that the Mills are worked so that they might realise their whole money ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" Yes."

Mr. SAMI VENKATACHALAM CHETTI :—" May I know what is the kind of supervision that is expected of this gentleman ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" To see that the machinery is in order."

Mr. SAMI VENKATACHALAM CHETTI :—" Are there no officers in the Industries Department competent to look after these machines ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" They have no time."

Mr. P. BHAKTAVATSULU NAYUDU :—" With reference to the answer to clause (d), may I know why the Government do not propose to work the Mill themselves ; is it on account of the economic aspect of it or on account of the difficulty of it ? "

The hon. the PRESIDENT :—" The question has been answered."

Mr. SAMI VENKATACHALAM CHETTI :—" Do the Government think it a safe proposition to entrust the supervision of the Mill to Mr. K. Natarajan who is likely to be the prospective buyer of this concern ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" There is no harm."

Rao Bahadur Sir A. P. PATRO :—" Have the Government enquired into the antecedents of this Mr. Natarajan, the representative of the Corporation ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" Yes, Sir."

Rao Bahadur Sir A. P. PATRO :—" Will the Government place on the table of the House the report of their enquiries about this gentleman ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" That will be considered later on."

Rao Bahadur Sir A. P. PATRO :—" Is the supervision intended to work the Mills or is it simply to watch the whole concern ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" Simply to watch the Mill."

Rao Bahadur Sir A. P. PATRO :—" Do I understand the hon. Minister to say that this gentleman is paid Rs. 650 to stay in the premises and watch the machinery and buildings ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" Watch the machinery and the buildings there."

Rao Bahadur Sir A. P. PATRO :—" Cannot the Government think of a more economical method such as appointing a supervisor or some other person to supervise the concern ? "

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The hon. Mr. M. R. SETURATNAM AYYAR :—" We were paying Rs. 1,000; now we are paying only Rs. 650."

Rao Bahadur Sir A. P. PATRO :—" Even now will the Government try to find out some other way of economically supervising the concern instead of wasting public money ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" If possible, yes."

Rao Bahadur C. S. RATNASABAPATHI MUDALIYAR :—" Is Mr. Natarajan an authorized representative of the Corporation ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" Yes, Sir."

Mr. C. V. VENKATARAMANA AYYANGAR :—" May I know whether Mr. Natarajan, being the representative of one of the competitors, they have been asked to send their men to inspect the machinery and the buildings ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" Yes."

Mr. C. V. VENKATARAMANA AYYANGAR :—" Is it to the knowledge of the Government ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" He works under the orders of the Director of Industries."

Rao Bahadur Sir A. P. PATRO :—" Are the Government aware that Mr. Natarajan is only a broker and has had no experience of any industry ?"

The hon. Mr. M. R. SETURATNAM AYYAR :—" We do not know, Sir."

Rao Bahadur Sir A. P. PATRO :—" Will the Government be pleased to make enquiries ? "

Mr. S. SATYAMURTI :—" May I know on whose recommendations he was appointed, whether he applied for this job, or whether the Government applied for him and whether they have made any enquiries about his qualifications and, if so, whether they will place the correspondence on the table ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" He was appointed only as a representative of the Corporation."

Mr. S. SATYAMURTI :—" Did the Corporation advise the Government so ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" Yes, Sir."

Mr. SAMI VENKATACHALAM CHETTI :—" Did Mr. Natarajan apply for the job ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" He applied on behalf of the Corporation."

Mr. S. SATYAMURTI :—" Did not the Corporation apply for buying the Mill ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" Yes."

Mr. S. SATYAMURTI :—" Then are the Government aware that they would have an interest in winding it up and forcing the sale ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" The Director of Industries saw no such danger."

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Mr. S. SATYAMURTI :—" Is he simply a watchman or has he got anything to do with machinery ? "

Mr. RAMANATH GOENKA :—" Are the Government aware that a probable buyer of the Mill will not be the proper person to take charge of the machinery and the mill ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" No, Sir."

Mr. RAMANATH GOENKA :—" Will he not try to shut out the competitors from the Mill and refuse to show them the machinery ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" No, he will not."

Mr. G. HARISARVOTTAMA RAO :—" Have the Government called for an estimate of the depreciation in the value of the machinery since it was put in charge of this man ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" Notice, Sir."

Transfer of the management of the Carnatic Paper Mills to the South Indian Trading Corporation.

* 700-C *Q.*—Mr. K. V. R. SWAMI : Will the hon. the Minister for Development be pleased to state—

(*a*) whether Government have issued any communication to the Superintendent of the Carnatic Paper Mills, Limited, to hand over charge of the Mills and properties of that Company to Mr. S. Natarajan, the representative of the South Indian Trading Corporation ;

(*b*) whether the above Corporation has any previous knowledge of paper industries ; and

(*c*) whether the Corporation has managed any paper mills previously ?

A.—(*a*) The Director of Industries has issued a communication under instructions from the Government.

(*b*) & (*c*) Yes.

Mr. K. V. R. SWAMI :—" In answer to a question it was stated that the working capital should be 20 lakhs. May I know whether that estimate was given by any expert ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" Yes, Sir."

Mr. K. V. R. SWAMI :—" Who is that expert, Sir ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" Notice, Sir."

Mr. C. V. VENKATARAMANA AYYANGAR :—" May I know what relation Mr. Natarajan has to the Corporation, whether he is a Director, or a paid agent or a clerk or a broker or anything at all ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" He is a representative of the Corporation."

Mr. C. V. VENKATARAMANA AYYANGAR :—" Does he simply hold a power of attorney which can be cancelled at any moment ? "

The hon. Mr. M. R. SETURATNAM AYYAR :—" He is an accredited agent of the Company."